Invesco

Nasdaq-100 Index Commentary

July 2026 Commentary

Factor & Core Equity Product Strategy, ETFs & Index Strategies

About the index

- The Nasdaq-100 is one of the world's preeminent large cap growth indexes.
- The companies in the Nasdaq-100 include the largest non-financial companies listed on the NASDAQ Stock Market based on market capitalization.

Overview

- In July, the Nasdaq-100 Index (NDX) returned -6.59% vs. -0.06% for the S&P 500.
- NDX's underperformance was driven by its differentiated holdings and overweight position in the Technology sector.
- Geopolitical tensions persisted in July as the conflict in Iran intensified and boosted energy prices. The price of oil rose throughout July, finishing the month at $84.67 a barrel and contributing to ongoing concerns about inflation expectations.
- The Federal Open Market Committee met on July 29th and decided to maintain the federal funds target rate at 3.50% to 3.75%, despite three dissenting votes favoring a rate hike.
- Second quarter earnings from several mega-cap technology companies highlighted continued demand for artificial intelligence, though stock price reactions were mixed, with Microsoft and Amazon rallying while Apple, Meta, and Alphabet moved lower following their earnings release.

Sector Performance for July

Top Sectors by Absolute Performance

- Energy
- Industrials
- Consumer Staples

Top Sectors Contributing to Relative Performance vs. S&P 500

- Industrials
- Utilities

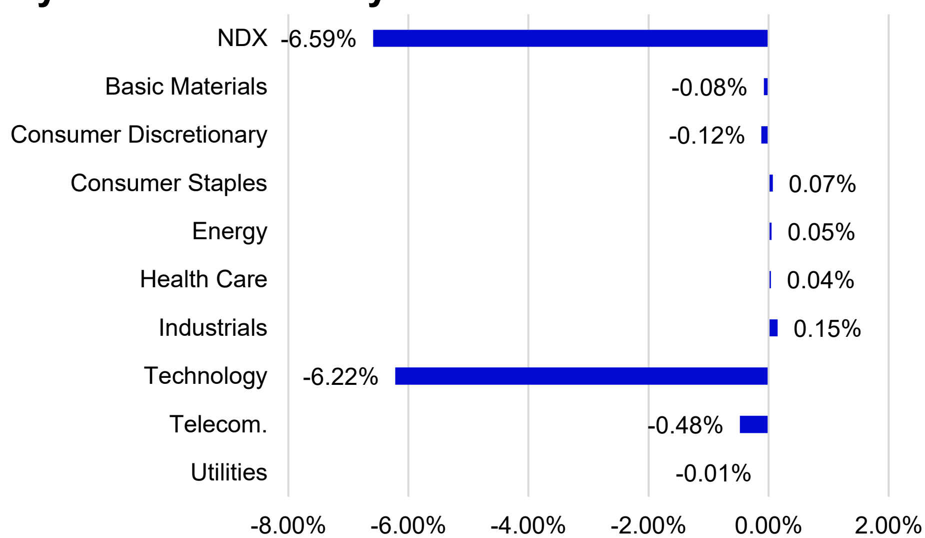
Bottom Sectors by Absolute Performance

- Telecommunications
- Technology
- Basic Materials

Bottom Sectors Detracting from Relative Performance vs. S&P 500

- Technology
- Financials (0% exposure)
- Telecommunications

July Sector Returns by Contribution



Data: Bloomberg, L.P., as of 2026/07/31. An investor cannot invest directly in an index. Past performance does not predict future results. All data is in USD unless indicated otherwise.

The Index uses the Industry Classification Benchmark ("ICB") classification system which is composed of 11 economic industries: basic materials, consumer discretionary, consumer staples, energy, financials, health care, industrials, real estate, technology, telecommunications and utilities.

NDX Highlights

- Investors shifted focus toward second quarter earnings, as strong results from several mega-cap technology companies helped recover a portion of the technology sector losses from earlier in the month.
- Microsoft announced earnings on July 29th and beat analysts' expectations on both the top and bottom line. Revenue was announced at $90.0 billion vs. the estimate of $87.7 billion while adjusted earnings-per-share came in at $4.74 vs. the estimate of $4.25. Microsoft Cloud revenue grew 27% year-over-year to $59.3 billion. Microsoft's stock rose 15.51% the day after the announcement (July 30th), resulting in the largest single day increase in market value in stock market history while adding roughly $450 billion in market capitalization.
- Amazon reported earnings on July 30th, which propelled the company's stock 15.32% higher in the following trading session. Revenue was $200.6 billion, exceeding analyst expectations, while adjusted earnings-per-share of $5.75 also surpassed estimates. Amazon Web Services (AWS) delivered its fastest growth rate in 18 quarters, with revenue increasing 36.7% year-over-year.

NDX Top 10 Constituents	(%)
NVIDIA CORP	8.06
APPLE INC	7.53
MICROSOFT CORP	5.73
AMAZON.COM INC	4.85
MICRON TECHNOLOGY INC	4.25
ADVANCED MICRO DEVICES	3.56
ALPHABET INC-CL A	3.44
ALPHABET INC-CL C	3.23
BROADCOM INC	3.06
META PLATFORMS INC-CLASS A	2.74

Top Performers (Absolute performance)

Issuer	Average Weight (%)	July Return (%)
PayPal Holdings Inc.	0.20	32.49
Workday Inc.	0.13	30.98
Microsoft Corp.	4.72	24.58

Bottom Performers (Absolute performance)

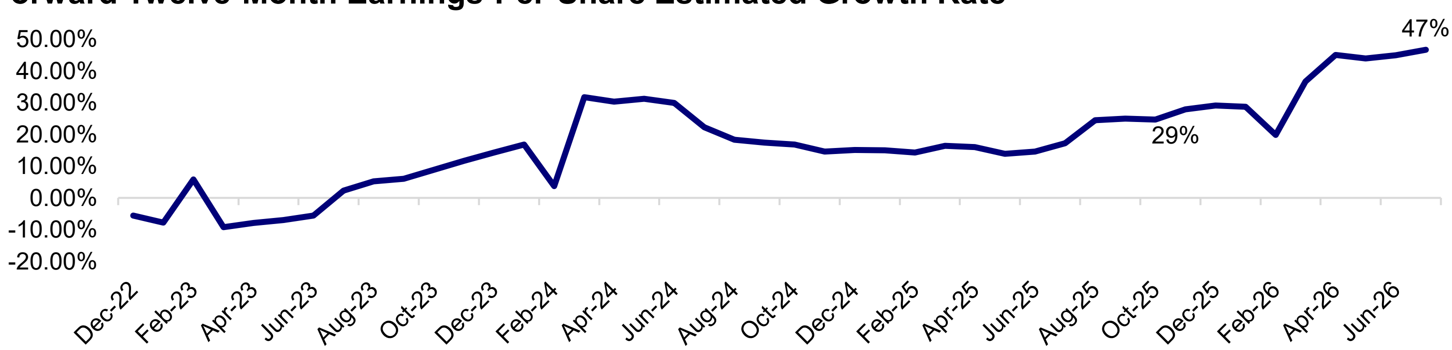
Issuer	Average Weight (%)	July Return (%)
SanDisk Corp.	1.06	-46.57
KLA Corp.	1.29	-39.41
Marvell Technology Inc.	0.85	-37.02

Source: Bloomberg, L.P., as of 2026/07/31. Past performance is not a guarantee of future results. Holdings are subject to change and are not buy/sell recommendations. Top and bottom performers for the month by absolute performance.

Outlook

- Earnings season will continue into August, with several large-cap companies scheduled to report results, including Nvidia, Palantir, SpaceX, and AMD. Given the market's strong performance year-to-date, investor attention will likely be focused on whether earnings and forward guidance can continue to support current valuations.
- Interest rates, inflation expectations, and the Federal Reserve's policy outlook will remain key areas to monitor. The 10yr U.S. Treasury yield ended the month at 4.74%, its highest level of 2026. With Treasury yields elevated and economic growth resilient, upcoming inflation and labor market releases could provide greater clarity on the Fed's policy path and serve as a key driver of market performance
- Earnings estimates have continued to rise in NDX. Twelve-month forward earnings-per-share growth was estimated at 29% in December 2025. It has now risen to 47% as of end of the month of July. Weakness in earnings growth may increase volatility in NDX.

Forward Twelve-Month Earnings-Per-Share Estimated Growth Rate



Source: Bloomberg, L.P., as of 2026/07/31. Performance data quoted represents past performance, which is not a guarantee of future results. Data in USD.

Historical Performance

Past performance does not predict future returns

	Jul-16 to Jul-17	Jul-17 to Jul-18	Jul-18 to Jul-19	Jul-19 to Jul-20	Jul-20 to Jul-21	Jul-21 to Jul-22	Jul-22 to Jul-23	Jul-23 to Jul-24	Jul-24 to Jul-25	Jul-25 to Jul-26	2025	2023 to 2025
NASDAQ-100 Index	25.3%	23.9%	9.4%	39.9%	37.9%	-13.0%	22.4%	23.6%	20.5%	22.3%	20.8%	32.9%
S&P 500 Index	15.3%	15.6%	7.3%	11.3%	35.8%	-5.1%	12.4%	21.6%	15.9%	19.1%	17.4%	22.5%

Data: Invesco, Bloomberg L.P. as of 31 July 2026. Data in USD.

Performance (%) as of 31 July 2026	YTD	1 year	3 years	5 years	10 years
NASDAQ-100 Index	12.38%	22.58%	22.42%	14.46%	20.65%
S&P 500 Index	10.14%	19.56%	19.31%	12.85%	15.07%
Relative	2.25%	3.02%	3.11%	1.60%	5.58%

Data: Bloomberg, L.P., as 31 July 2026. An investor cannot invest directly in an index. Data in USD.

Investment Risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Investments focused in a particular sector, such as technology, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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